

## Message Text

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42

ACTION ARA-10

INFO OCT-01 ISO-00 ARAE-00 SSO-00 NSCE-00 SS-15 PM-03

NSC-05 CIAE-00 INR-07 NSAE-00 L-03 PA-02 PRS-01

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O 031425Z JUL 75

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC IMMEDIATE 159

INFO SECDEF WASHDC IMMEDIATE

USCINCSO IMMEDIATE

AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

AMCONSUL BELEM

AMCONSUL RECIFE

AMCONSUL SALVADOR

AMCONSUL PORTO ALEGRE

UNCLAS BRASILIA 5459

OPERATIONS CENTER: PLEASE PASS TO APPROPRIATE OFFICES PRIOR  
TO NOON PRESS BRIEFING.

E. O. 11652: N/A

TAGS: EINV, MASS, BR, US

SUBJECT: NORTHROP

1. SUMMARY: ON JULY 2, THE BRAZILIAN MINISTRY OF AERONAUTICS  
ISSUED A WRITTEN STATEMENT SAYING THAT MAJOR GENERAL EDIVIO AND  
LIEUTENANT GENERAL VINHAIS DID NOT PARTICIPATE IN AIR FORCE  
STUDIES ON THE SELECTION OF NORTHROP'S F-5. END SUMMARY.

2. THE MINISTRY OF AERONAUTICS ISSUED THE FOLLOWING STATEMENT  
ON JULY 2: BEGIN TEXT. CONCERNING THE REPORT CARRIED BY THE  
PRESS REGARDING THE PURCHASE OF F-5 AIRCRAFT BY BRAZIL, REFER-  
RING TO THE NAMES OF LIEUTENANT GENERAL (BRIGADEIRO), MANOEL  
JOSE VINHAIS AND MAJOR GENERAL (BRIGADEIRO) EDIVIO CALDAS  
SANCTOS, THE MINISTRY OF AERONAUTICS CLARIFIES THE FOLLOWING:  
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--1. THE REPORT ORIGINATED IN A MEMORANDUM TO THE ADMIN-

ISTRATION OF THE COMPANY, PREPARED BY A NORTHROP OFFICIAL, MR. MCADAMS, ON HIS RETURN FROM A VISIT TO BRAZIL IN APRIL 1971. AT THAT TIME, HE REPORTED THAT HE HAD BROUGHT DOCUMENTATION ABOUT THE F-5 TO BRAZILIAN AERONAUTICAL AUTHORITIES AND HAD BEEN RECEIVED BY LIEUTENANT GENERAL MANOEL JOSE VINHAIS, GENERAL COMMANDER OF AIR, AND BY MAJOR GENERAL EDIVIO CALDAS SANCTOS, COMMANDER OF THE SECOND AERO-TACTICAL FORCE.

--2. TWO YEARS LATER, IN 1973, THE PURCHASE OF THE F-5 WAS DECIDED BY THE AIR FORCE HIGH COMMAND, BASED UPON COMPARATIVE ANALYSIS OF THE VARIOUS AIRCRAFT IN QUESTION BY THE AIR FORCE GENERAL STAFF. AT THAT TIME, MAJOR GENERAL EDIVIO CALDAS SANCTOS HAD ALREADY BEEN TRANSFERRED TO ANOTHER AREA, BECAUSE OF THE NORMAL PERSONNEL MOVEMENT, AND LIEUTENANT GENERAL MANOEL JOSE VINHAIS HAD ALREADY RETIRED. AS A CONSEQUENCE, THE ABOVE-REFERRED OFFICERS DID NOT PARTICIPATE IN THE STUDIES CARRIED OUT BY THE AIR FORCE GENERAL STAFF AND MUCH LESS IN THE HIGH COMMAND'S DECISION.

--3. THE NEGOTIATIONS CARRIED OUT FOR THE PURCHASE OF THE F-5 AIRCRAFT, FOLLOWING THEIR SELECTION BY THE AIR FORCE HIGH COMMAND, WERE UNDERTAKEN IN CONJUNCTION WITH REPRESENTATIVES OF NORTHROP AND OF THE USAF SINCE THESE NEGOTIATIONS INVOLVED VARIOUS INTERDEPENDENT CONTRACTS WHICH WOULD COVER THE SUPPLY OF SEVERAL ITEMS FROM DIFFERENT SOURCES (US GOVERNMENT, NORTHROP AND OTHER COMPANIES) TO COMPLETE THE ORDER. IN NO INSTANCE DID THE COMPANY REPRESENTING NORTHROP IN BRAZIL PARTICIPATE IN THESE NEGOTIATIONS. END TEXT.

3. JULY 2 EDITION OF JORNAL DE BRASILIA CARRIED TEXT OF THE NEW YORK TIMES STORY AND INITIAL REACTIONS HERE. POINTS OF INTEREST IN THE BRAZILIAN REACTIONS ARE: A) THE NEWS THAT NORTHROP ADMITTED HAVING UTILIZED THE SERVICES OF MAJOR GENERAL EDIVIO CALDAS SANCTOS FOR THE PURCHASE OF 42 F-5 AIRCRAFT WAS CONSIDERED IN AIR FORCE CIRCLES AS "AN UNTRUTH". THE MINISTRY OF AERONAUTICS SAID THROUGH A SPOKESMAN THAT "IT HAS NOTHING TO DECLARE OFFICIALLY BECAUSE IT LACKS KNOWLEDGE OF ANY CONCRETE FACT". B) THE INVOLVEMENT OF EDIVIO WITH NORTHROP WAS ATTRIBUTED BY SOME SECTORS TO HIS POSITION IN 1971 AS COMMANDER OF THE SECOND AIR FORCE IN RIO DE JANEIRO. ALSO, IT WAS NOTED THAT EDIVIO WAS A COLLEAGUE OF TEDESCO AT THE AIR FORCE ACADEMY, AND BUREAUX, LIKE EDIVIO, WAS AN OFFICIAL OF THE BRAZILIAN AIR FORCE AND UNCLASSIFIED

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C) NOBODY IN THE BRAZILIAN AIR FORCE ADMITTED THE HYPOTHESIS THAT EDIVIO HAD INFLUENCED THE MINISTRY TO ACQUIRE THE F-5 INSTEAD OF THE PHANTOM OR THE MIRAGE V. THE SAME SOURCES RECALLED FURTHER THAT THE PURCHASE OF THE F-5S WAS CONSIDERED SINCE THE TIME OF EX-AIR MINISTER GENERAL EDUARDO GOMES AND THAT HE WENT TO THE US AROUND 1966 TO TRY TO OBTAIN USG AUTHORIZATION FOR THE SALE.

4. JULY 3 EDITION OF JORNAL DE BRASILIA CARRIED A STORY ABOUT THE REACTION OF THE VARIOUS PARTIES INVOLVED IN NORTHROP CASE. POINTS OF INTEREST ARE: A) ALTHOUGH THE MINISTRY'S STATEMENT DOES NOT SAY WHETHER THE CASE IS BEING INVESTIGATED, THERE ARE RUMORS THAT IT HAS ALREADY REQUESTED FROM NORTHROP OR THE USG AN OFFICAL DOCUMENT WHICH STATES THE NAMES OF BRAZILIAN OFFICERS THAT DIRECTLY OR INDIRECTLY HAVE IRREGULARLY PARTICIPATED IN THE 1973 TRANSACTION. THIS DOCUMENT MAY EVEN CONTRADICT THE NEW YORK TIMES' STORY, SOME COMMENTATORS SAID; B) THE MINISTRY'S STAFF IN BRASILIA STILL IS NOT GIVING CREDIT TO THE F-5 STORY; C) EDIVIO TERMED THE CHARGES INVOLVING THE F-5 PURCHASE "A CAMPAIGN FROM ANNOYED US INTERESTS", AND ATTRIBUTED THE PUBLICATION OF THE STORY TO THOSE "INTERESTS". EDIVIO SAID THAT AFTER RECOMMENDING COLONEL TEDESCO AND FERNANDO BUREAUX TO NORTHROP REPRESENTATIVES IN 1971 IN HIS OFFICE, AND AFTER RECEIVING DOCUMENTS, FILMS AND SLIDES ABOUT THE F-5, HE NEVER AGAIN WAS IN CONTACT WITH NORTHROP REPRESENTATIVES; AND D) COLONEL TEDESCO CONSIDERED THE NEW YORK TIMES STORY AS "FILTHY" AND SAID IT NOT ONLY HITS THE AMERICANS BUT ALSO THE BRAZILIAN AIR FORCE. HE SAID A NEW YORK TIMES REPORTER MADE USE OF A SIMPLE MARKETING LETTER EMPLOYED BY ANY AIRCRAFT SALESMAN TO HARM BRAZIL AND TEDESCO'S COMPANY. HE SAID THERE ARE OTHER MOTIVES IN THE PAPER'S STORY WHICH HE DID NOT WANT TO DISCLOSE. AS FOR THE HIGH COMMISSION FEE, TEDESCO SAID BRAZILIAN TAX AUTHORITIES ARE FULLY AWARE OF THE SALE AND THAT THE TRANSACTION WAS LEGALLY COMPLETED.

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## Message Attributes

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